

States is now preparing responses. In Case A/11, Iran filed its Hearing Memorial and Evidence. In that case, Iran has sued the United States for \$10 billion, alleging that the United States failed to fulfill its obligations under the Accords to assist Iran in recovering the assets of the former Shah of Iran. Iran alleges that the United States improperly failed to (1) freeze the U.S. assets of the Shah's estate and certain U.S. assets of close relatives of the Shah; (2) report to Iran all known information about such assets; and (3) otherwise assist Iran in such litigation.

In Case A/15(II:A), 3 years after the Tribunal's partial award in the case, Iran filed briefs and evidence relating to 10 of Iran's claims against the United States Government for nonmilitary property allegedly held by private companies in the United States. Although Iran's submission was made in response to a Tribunal order directing Iran to file its brief and evidence "concerning all remaining issues to be decided by this Case," Iran's filing failed to address many claims in the case.

In August 1995, the United States filed the second of two parts of its consolidated submission on the merits in Case B/61, addressing issues of liability and compensation. As reported in my May 1995 Report, Case B/61 involves a claim by Iran for compensation with respect to primarily military equipment that Iran alleges it did not receive. The equipment was purchased pursuant to commercial contracts with more than 50 private American companies. Iran alleges that it suffered direct losses and consequential damages in excess of \$2 billion in total because of the United States Government's refusal to allow the export of the equipment after January 19, 1981, in alleged contravention of the Algiers Accords.

4. Since my last report, the Tribunal has issued two important awards in favor of U.S. nationals considered dual U.S.-Iranian nationals by the Tribunal. On July 7, 1995, the Tribunal issued Award No. 565, awarding a claimant \$1.1 million plus interest for Iran's expropriation of the claimant's shares in the Iranian architectural firm of Abdolaziz Farmafarmanian & Associates. On July 14, 1995, the Tribunal issued Award No. 566, awarding two claimants \$129,869 each, plus interest, as compensation for Iran's taking of real property inherited by the claimants from their father. Award No. 566 is significant in that it is the Tribunal's first decision awarding dual national claimants compensation for Iran's expropriation of real property in Iran.

5. The situation reviewed above continues to implicate important diplomatic, financial, and legal interests of the United States and its nationals and presents an unusual challenge to the national security and foreign policy of the United States. The Iranian Assets Control Regulations issued pursuant to Executive Order No. 12170 continue to play an important role in structuring our relationship with Iran and in ena-

bling the United States to implement properly the Algiers Accords. I shall continue to exercise the powers at my disposal to deal with these problems and will continue to report periodically to the Congress on significant developments.

WILLIAM J. CLINTON.
THE WHITE HOUSE, November 28, 1995.

ANNUAL REPORT OF RAILROAD RETIREMENT BOARD, FISCAL YEAR 1994—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Transportation and Infrastructure and the Committee on Ways and Means:

To the Congress of the United States:

I transmit herewith the Annual Report of the Railroad Retirement Board for Fiscal Year 1994, pursuant to the provisions of section 7(b)(6) of the Railroad Retirement Act and section 12(l) of the Railroad Unemployment Insurance Act.

WILLIAM J. CLINTON.
THE WHITE HOUSE, November 28, 1995.

(1430)

CORRECTIONS CALENDAR

The SPEAKER pro tempore (Mr. BARR). This is the day for the call of the Corrections Calendar.

The Clerk will call the first bill on the Corrections Calendar.

PHILANTHROPY PROTECTION ACT OF 1995

The Clerk called the bill (H.R. 2519) to facilitate contributions to charitable organizations by codifying certain exemptions from the Federal securities laws, and for other purposes.

The Clerk read the bill, as follows:

H.R. 2519

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) *SHORT TITLE.*—This Act may be cited as the "Philanthropy Protection Act of 1995".

(b) *TABLE OF CONTENTS.*—The table of contents for this Act is as follows:

Sec. 1. *Short title; table of contents.*

Sec. 2. *Amendments to the Investment Company Act of 1940.*

Sec. 3. *Amendment to the Securities Act of 1933.*

Sec. 4. *Amendments to the Securities Exchange Act of 1934.*

Sec. 5. *Amendment of the Investment Advisers Act of 1940.*

Sec. 6. *Protection of philanthropy under State law.*

Sec. 7. *Effective dates and applicability.*

SEC. 2. AMENDMENTS TO THE INVESTMENT COMPANY ACT OF 1940.

(a) *EXEMPTION.*—Section 3(c)(10) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)(10)) is amended to read as follows:

"(10)(A) Any company organized and operated exclusively for religious, educational, benevolent, fraternal, charitable, or reformatory purposes—

"(i) no part of the net earnings of which inures to the benefit of any private shareholder or individual; or

"(ii) which is or maintains a fund described in subparagraph (B).

"(B) For the purposes of subparagraph (A)(ii), a fund is described in this subparagraph if such fund is a pooled income fund, collective trust fund, collective investment fund, or similar fund maintained by a charitable organization exclusively for the collective investment and reinvestment of one or more of the following:

"(i) assets of the general endowment fund or other funds of one or more charitable organizations;

"(ii) assets of a pooled income fund;

"(iii) assets contributed to a charitable organization in exchange for the issuance of charitable gift annuities;

"(iv) assets of a charitable remainder trust or of any other trust, the remainder interests of which are irrevocably dedicated to any charitable organization;

"(v) assets of a charitable lead trust;

"(vi) assets of a trust not described in clauses (i) through (v), the remainder interests of which are revocably dedicated to a charitable organization, subject to subparagraph (C); or

"(vii) such assets (including assets revocably dedicated to a charitable organization) as the Commission may prescribe by rule, regulation, or order in accordance with section 6(c).

"(C) A fund that contains assets described in clause (vi) of subparagraph (B) shall be excluded from the definition of an investment company for a period of 3 years after the date of enactment of this subparagraph, but only if—

"(i) such assets were contributed before the date which is 60 days after the date of enactment of this subparagraph; and

"(ii) such assets are commingled in the fund with assets described in one or more of clauses (i) through (v) of subparagraph (B).

"(D) For purposes of this paragraph—

"(i) a trust or fund is 'maintained' by a charitable organization if the organization serves as a trustee or administrator of the trust or fund or has the power to remove the trustees or administrators of the trust or fund and to designate new trustees or administrators;

"(ii) the term 'pooled income fund' has the same meaning as in section 642(c)(5) of the Internal Revenue Code of 1986;

"(iii) the term 'charitable organization' means an organization described in paragraphs (1) through (5) of section 170(c) or section 501(c)(3) of the Internal Revenue Code of 1986;

"(iv) the term 'charitable lead trust' means a trust described in section 170(f)(2)(B), 2055(e)(2)(B), or 2522(c)(2)(B) of the Internal Revenue Code of 1986;

"(v) the term 'charitable remainder trust' means a charitable remainder annuity trust or a charitable remainder unitrust, as those terms are defined in section 664(d) of the Internal Revenue Code of 1986; and

"(vi) the term 'charitable gift annuity' means an annuity issued by a charitable organization that is described in section 501(m)(5) of the Internal Revenue Code of 1986."

(b) *DISCLOSURE BY EXEMPT CHARITABLE ORGANIZATIONS.*—Section 7 of the Investment Company Act of 1940 (15 U.S.C. 80a-7) is amended by adding at the end the following new subsection:

"(e) *DISCLOSURE BY EXEMPT CHARITABLE ORGANIZATIONS.*—Each fund that is excluded from the definition of an investment company under section 3(c)(10)(B) of this Act shall provide, to each donor to such fund, at the time of the donation or within 90 days after the date of enactment of this subsection, whichever is later, written information describing the material terms of the operation of such fund."